

RETAINED BOUNTY FUND.

LETTER

FROM

THE SECRETARY OF WAR,

RELATING TO

AUTHORITY TO COVER INTO THE TREASURY THE SO-CALLED
RETAINED BOUNTY FUND.

JANUARY 22, 1902.—Referred to the Committee on Ways and Means and ordered to be printed.

WAR DEPARTMENT,
Washington, January 21, 1902.

SIR: I have the honor to transmit herewith a letter of the disbursing clerk of the War Department, dated January 8, instant, relating to a so-called retained bounty fund derived from a portion of the State bounties of certain colored soldiers enlisted in Virginia and North Carolina during the years 1864-65.

By an act of Congress entitled "An act to regulate the disposition of an irregular fund in the custody of the Freedmen's Bureau," approved March 2, 1867, a copy of which is herewith transmitted, the commissioner of said bureau was constituted the lawful custodian of said fund, and appointed trustee of the same for the benefit of the soldiers to whom it belonged, or their lawful representatives.

The item in the sundry civil appropriations act of June 10, 1872, which made appropriation for the Freedmen's Bureau, contained a proviso that said bureau—

Shall be discontinued from and after June thirtieth, eighteen hundred and seventy-two, and that all agents, clerks, and other employees then on duty shall be discharged, except such as may be retained by the Secretary of War, for the purposes of this proviso; and all acts and parts of acts pertaining to the collection and payment of bounties, or other moneys due to colored soldiers, sailors, and marines, or their heirs, shall remain in force until otherwise ordered by Congress, the same to be carried into effect by the Secretary of War, who may employ such clerical force as may be necessary for the purpose.

With the funds transferred from the Freedmen's Bureau to the War Department under the provisions of the law just cited was the sum of \$1,628.59, representing the remaining balance of the afore-

mentioned retained bounty fund. This sum, together with other moneys for the payment of bounties, etc., to colored soldiers, sailors, or marines, or their legal representatives, was taken up and held by the disbursing officer of what had been designated and known as the Freedmen's Branch of the Adjutant-General's Office.

By section 2035 of the Revised Statutes of the United States, copy herewith, the Secretary of War was constituted the lawful custodian of the aforesaid retained bounty fund and directed to hold the same as trustee for the legal beneficiaries thereof.

Under the provisions of section 2 of the sundry civil appropriation act of March 3, 1879, copy herewith, the Freedmen's Branch of the Adjutant-General's Office was abolished on June 30, 1879, and the amount of the retained bounty fund was, by direction of the Secretary of War, turned over to the disbursing clerk of the War Department, and has been successively held by three incumbents of that office, the present remaining balance being \$1,303.11.

In view of the fact that during a period of about twenty-two years only 9 of the 41 claims represented by said fund, and aggregating \$325.48, have been paid, it seems improbable that the other claimants will be discovered, and it is therefore recommended that section 2035 of the Revised Statutes be repealed and that authority be given to cover into the Treasury as "Miscellaneous receipts" the unexpended balance of said fund, with such provision for payment by the Treasury Department of any future claims pertaining thereto as may be deemed expedient.

Very respectfully,

ELIHU ROOT,
Secretary of War.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

WAR DEPARTMENT,
Washington, D. C., January 8, 1902.

SIR: By an act of Congress entitled "An act to regulate the disposition of an irregular fund in the custody of the Freedmen's Bureau," approved March 2, 1867, the Commissioner of the Bureau of Refugees, Freedmen, and Abandoned Lands, or his successor in office, was constituted the lawful custodian of a retained bounty fund derived from a portion of the State bounties of certain colored soldiers enlisted in Virginia and North Carolina during the years 1864-65.

Upon the discontinuance of said bureau, on June 30, 1872, and the transfer to the War Department of its unfinished work, etc., under the provision of the sundry civil appropriation act of June 10, 1872, there was transferred, with other moneys for the payment of bounties, etc., to colored soldiers, the sum of \$1,628.59, representing the balance of the retained bounty fund referred to in the above-cited act of March 2, 1867, which amount was held by the officer who, under the provisions of the act of June 10, 1872, was charged with the payment of claims of colored soldiers, sailors, etc., for bounty and arrears of pay, and was by him transferred to his successor, as disbursing officer of what had been designated and known as the Freedmen's Branch of the Office of the Adjutant-General.

Section 2035 of the Revised Statutes constituted the Secretary of War the lawful custodian of the aforementioned retained bounty

fund, and provided that he should hold the same as trustee for the benefit of the soldiers to whom it belonged, or their legal representatives, to be paid to them upon their application or discovery.

Upon the abolishment of the office referred to as the Freedmen's Branch of the Adjutant-General's Office, June 30, 1879, under the provisions of the sundry civil appropriation act of March 3, 1879, the said retained bounty fund (\$1,628.59) was, by direction of the Secretary of War, turned over to the disbursing clerk of the War Department (E. M. Lawton), and was taken up by his successor, William S. Yeatman, recently deceased.

In view of the fact that during the entire period that said fund was held by Mr. Lawton—more than seven and one-half years—not a single payment was made therefrom, and that during the period it was held by his successor (Mr. Yeatman)—more than fourteen and one-half years—only 9 of the 41 claims represented by said fund were paid, the last payment having been made on July 27, 1900, it is recommended that Congress be asked to repeal section 2035, Revised Statutes, and to direct that the unexpended balance of said fund be covered into the Treasury as "miscellaneous receipts," with the proviso that upon application being made by parties entitled to any portion of the moneys so covered in, the Secretary of the Treasury be authorized and directed to pay the amount found due, in the same manner and from the same appropriation as claims for bounty to volunteer soldiers are now paid.

Very respectfully,

SYDNEY E. SMITH,
Disbursing Clerk.

The SECRETARY OF WAR.

[Extract from the sundry civil appropriation act of March 3, 1879.]

SEC. 2. That all sums due upon certificates issued, or which may be issued, by the accounting officers of the Treasury in settlement of claims for pay, bounty, prize money, or other moneys due to colored soldiers, sailors, or marines, or their legal representatives, shall be paid by the officers of the Pay Department of the Army, under the direction of the Paymaster-General, who is already charged with the payment of like dues to white soldiers: *Provided first*, That no such certificate shall be issued until it shall have been ascertained that the application is made by the original claimant, or, if he be dead, by his true living legal representative, nor until the identity of such claimant or representative, as the case may be, shall have been duly established: *Provided*, That if an agent or attorney be employed, the allowance for his services shall not in any case exceed that contemplated in the scale of fees and allowances fixed by the second section of a joint resolution approved July twenty-sixth, eighteen hundred and sixty-six, entitled "Joint resolution amendatory of a joint resolution respecting bounties to colored soldiers, and the pensions, bounties, and allowances to their heirs," approved June fifteenth, eighteen hundred and sixty-six, and such allowance shall be stated in a separate certificate in favor of the agent or attorney simultaneously with the issue of a certificate for the amount due the claimant: *Provided further*, That the amount due the claimant, or his living representative, or the balance due after deducting the attorney's fee, if any, shall be paid only to the party named in the certificate, and in current funds, or by post-office money order, and not by checks or drafts; and no power of attorney, transfer, or assignment of the amount of such claims, or any part thereof, shall in any case be recognized; and the sum of four thousand dollars, or so much thereof as may be necessary, is appropriated for the fiscal year ending June thirtieth, eighteen hundred and seventy-nine, and ten thousand dollars for the fiscal year ending June thirtieth, eighteen hundred and eighty, to meet the expenses incurred on account of payment of these claims, for salaries of agents and clerks, rent of offices, fuel and lights, stationery and printing, office furniture, mileage and transportation of officers and agents,

telegraphing, postage, and post-office money orders; and the sum of fifty thousand dollars is hereby appropriated, under the title "Pay of two and three years' volunteers reappropriated," for the payment of such of the claims in question as may be covered by Treasury certificates issued after the passage of this act, and previous to July first, eighteen hundred and eighty: *And provided further*, That the sum or sums now held by the Treasurer of the United States, turned over to him under the Attorney-General's decision of December thirtieth, eighteen hundred and seventy-eight, by the chief disbursing officer of the Freedmen's Branch of the Adjutant-General's Office, as the balance in said officer's hands of moneys due and unpaid on account of adjusted claims of the class contemplated in the first clause of this section, shall be turned over to the paymaster who may be charged by the Paymaster-General with the payment of such claims, to be by him paid to the proper claimants under the restrictions imposed in said section.

AN ACT to regulate the disposition of an irregular fund in the custody of the Freedmen's Bureau.

Whereas the commissioner of the Bureau of Refugees, Freedmen and Abandoned Lands reports a retained bounty fund, derived from a portion of the State bounties of certain colored soldiers enlisted in Virginia and North Carolina during the years eighteen hundred and sixty-four and eighteen hundred and sixty-five; and by virtue of General Orders, Numbered ninety, department of Virginia and North Carolina, series of eighteen hundred and sixty-four, holden by the superintendent of freedmen's affairs, but turned over to the said Freedmen's Bureau upon its organization; and

Whereas the said commissioner has in possession the names of those soldiers from whom the said money was taken; and

Whereas he has uniformly returned the same upon the application or discovery of legal representatives, but retains a considerable portion thereof belonging to soldiers who are either deceased or who cannot be found: Therefore,

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the said Commissioner of the Bureau of Refugees, Freedmen and Abandoned Lands, or his successor in office, be, and is hereby, constituted the lawful custodian of said retained bounty fund, and appointed trustee of the same for the benefit of said colored soldiers or their lawful representatives.

SEC. 2. *And be it further enacted*, That the said commissioner be, and he is hereby, specially authorized and empowered to invest the said fund, or any portion thereof, in bonds of the United States, for the exclusive benefit of the said colored soldiers or their legal representatives: *Provided, however*, That a sufficient amount of the same in cash be retained uninvested to meet all lawful claims thereupon that will probably be presented for payment: *And provided further*, That any portion of the said fund which may remain unexpected when the said Bureau shall cease to exist shall be accounted for by said commissioner to the Treasury of the United States.

Approved, March 2, 1867.

[Copy of section 2035, Revised Statutes of the United States.]

SEC. 2035. The Secretary of War is constituted the lawful custodian of a retained bounty fund, which has been derived from a portion of the State bounties of certain colored soldiers enlisted in Virginia and North Carolina during the years eighteen hundred and sixty-four and eighteen hundred and sixty-five, and which, by virtue of General Orders, Numbered ninety, department of Virginia and North Carolina, was held by the Superintendent of Freedmen's Affairs, but was turned over to the Bureau upon its organization; and the Secretary of War shall hold the fund as trustee for the benefit of such colored soldiers or their legal representatives, to whom the same shall be paid upon their application or discovery.